THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) The rate of dividend under some of the Monthly Income Plans have been reduced.

(b) According to information received from UTI, Monthly Income Plan 1995 (I) and Monthly Income Plan 1996 (IV) have distributed 5% monthly dividend for the FY 2001-2002. Although the current rates may appear 'less than Market' when, looked at in isolation, over the full tenure of 7 years, MIP 95 (I) has given a payout of 12.47% p.a. on a post-tax basis, which is above the market return for this type of product. Similarly, MIP 96 (IV) has paid out 13.14% over its full tenure of 5 years, more than market expected rate.

(c) and (d) In the post liberalization period, there has been a general decline in the interest rates. UTI has so far provided a better return to its investors in MIP Schemes compared to similar market instruments.

Slippage in Fiscal Deficit Target

244. SHRI JIBON ROY: Will the Minister of FINANCE be pleased to state:

(a) whether Government's attention has been drawn to the newsitem which appeared in 'Hindu' of 6th May, 2001 with the caption "Slippage in Fiscal Deficit Target"; and

(b) if so, the response of the Government thereto?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) The provisional and unaudited Central Government accounts for 2000-2001 released by Controller General of Accounts reveal that Fiscal Deficit at Rs. 1,14,369 crore was 5.2 per cent of Gross Domestic Product (GDP) as against 5.1 per cent of GDP as per the Revised Estimates. The strategy of Budget for 2001-02 is to ensure curbing expenditure growth by stringent control of non-productive Government expenditure, rationalisation of subsidies, improvement in the quality of Government expenditure and revenue enhancement through widening of the tax base and administration of a fair and equitable tax regime.